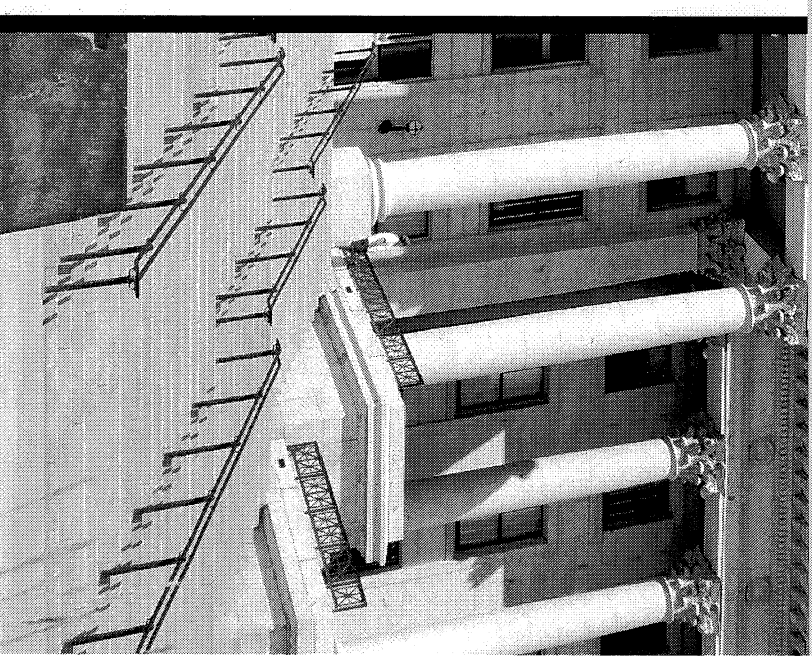




Utah Department of
Human Resource Management

Compensation in Utah

September 7, 2017



Analyzing Compensation for the State of Utah

The objectives of this presentation are:

- Provide a clear understanding of the process for establishing in the State of Utah:
 - How compensation (salary) is informed by the labor market
 - The relationship between salary and the introduction of the Tier 2 retirement system in 2011

**For DHRM's purposes, state employees are only executive branch agencies (not legislative branch, judicial branch, offices of elected officials, public education, or higher education)*

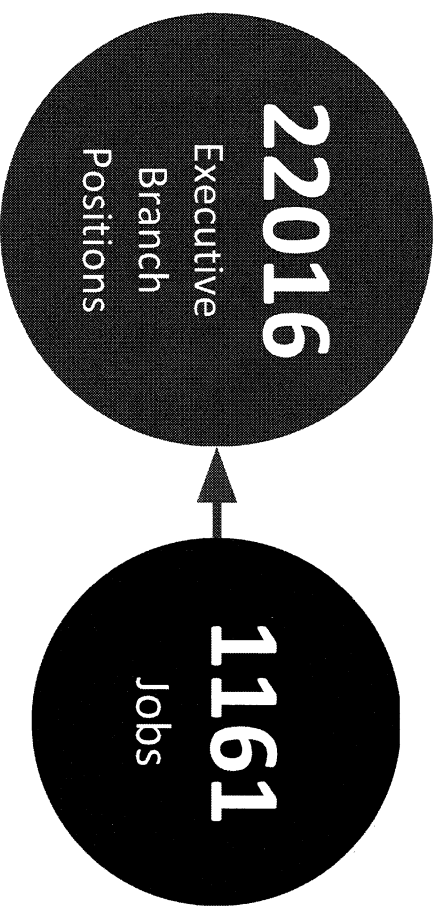
Compensation Levels in Utah

1161
Jobs

All of the forms of work in the State of Utah are analyzed and classified into jobs, consisting of a description, tasks, and qualifications.

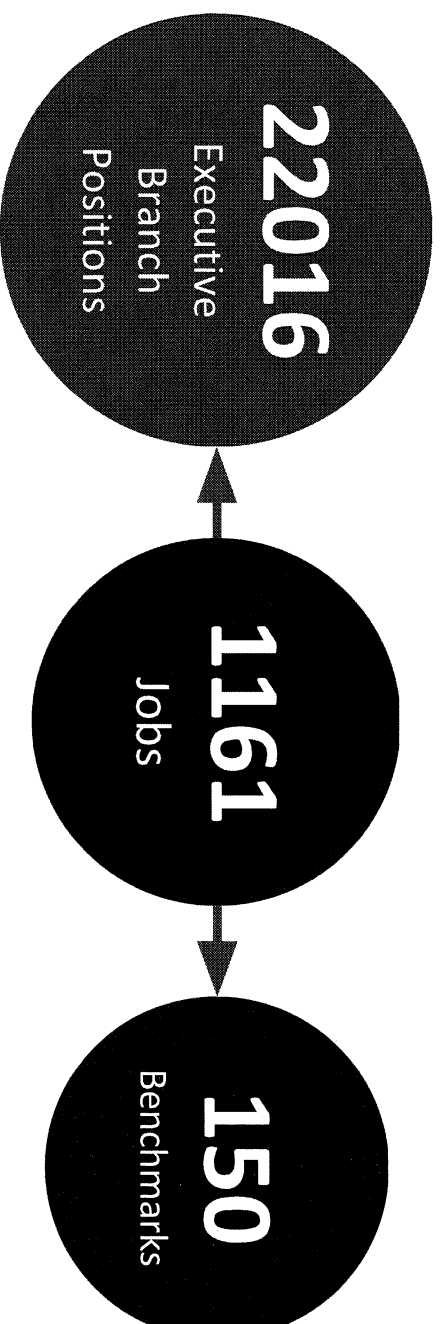
There are over 1100 jobs classified in the State of Utah.

Compensation Levels in Utah



Positions are created from jobs. In the State of Utah, employees fill positions.

Compensation Levels in Utah

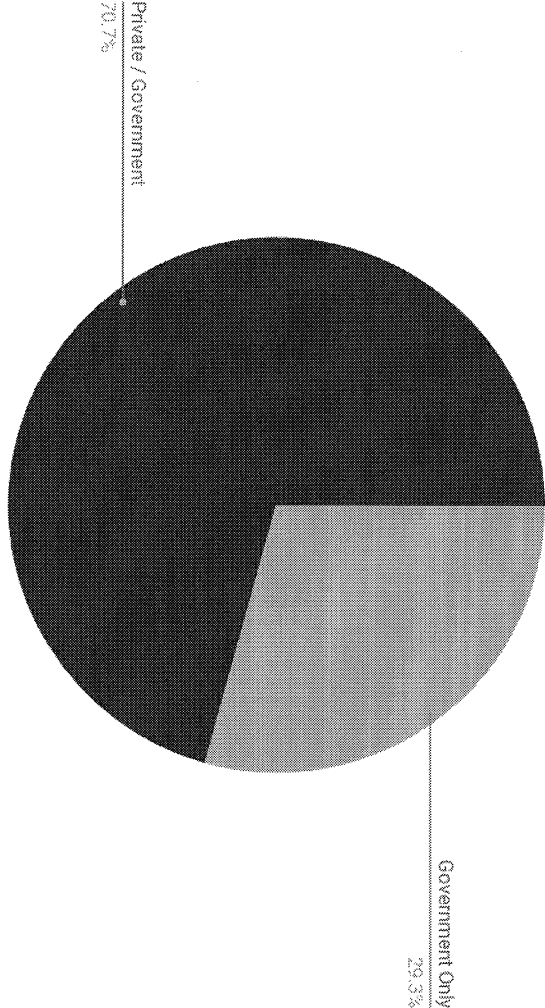


Similarly purposed jobs are assigned to one of 150 benchmark jobs. Jobs are aligned to benchmark jobs based on job families and occupational groups.

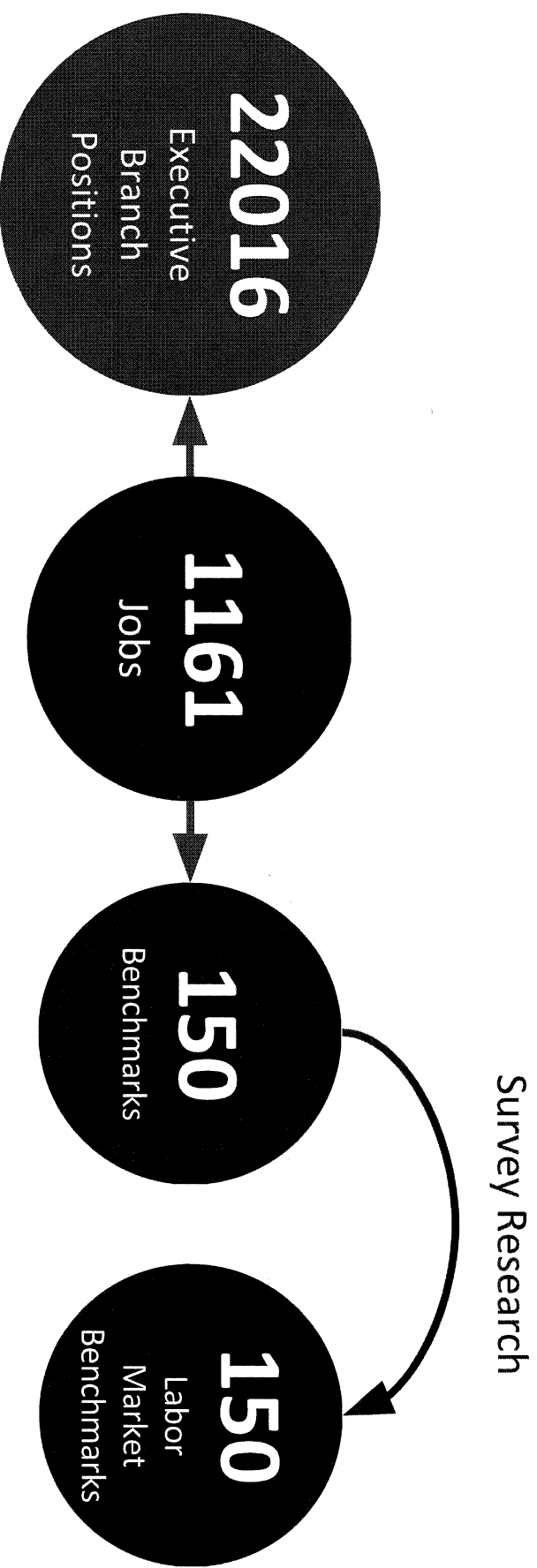


Compensation Levels in Utah

Breakdown of Benchmarks (Private / Government)



Compensation Levels in Utah



Benchmark jobs are compared against labor market jobs in order to evaluate competitiveness of State of Utah compensation.

Compensation Levels in Utah

Compensation survey research contrasts State of Utah compensation against the following markets:

- City / County Government
- Other States in the Region
- Private Business (localized)



Compensation Levels in Utah

Compensation surveys include:

- Western Management Group (WVG)
- CompData Healthcare Survey
- Wasatch Compensation Group
- DHRM Ad-Hoc Surveys
- National Compensation Association of State Governments (NCASG)
- Economic Research Institute (ERI)
- Korn Ferry Hay Group



Compensation Levels in Utah

Market Comparative Analysis

Survey responses enable the DHRM compensation team to contrast salary against targeted markets. Benchmark data informs when action may be needed in order to keep the State relevant in terms of salary.

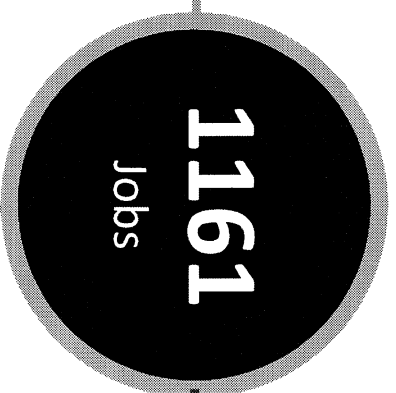


Compensation Levels in Utah

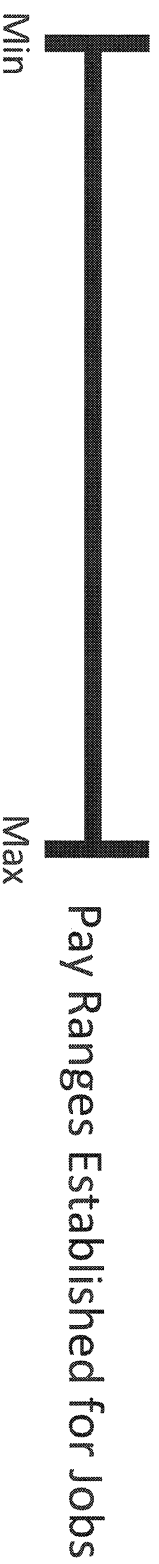


Informed Salary Ranges

Compensation Levels in Utah



The market comparative analysis is used to ensure **salary ranges** are sufficient. Over decades, the classification system has produced salary ranges for every job.

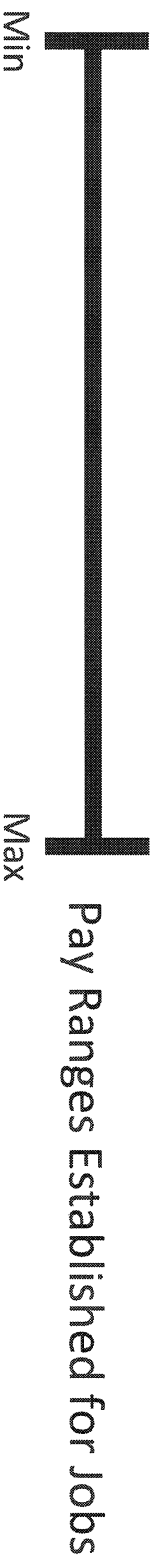


Compensation Levels in Utah

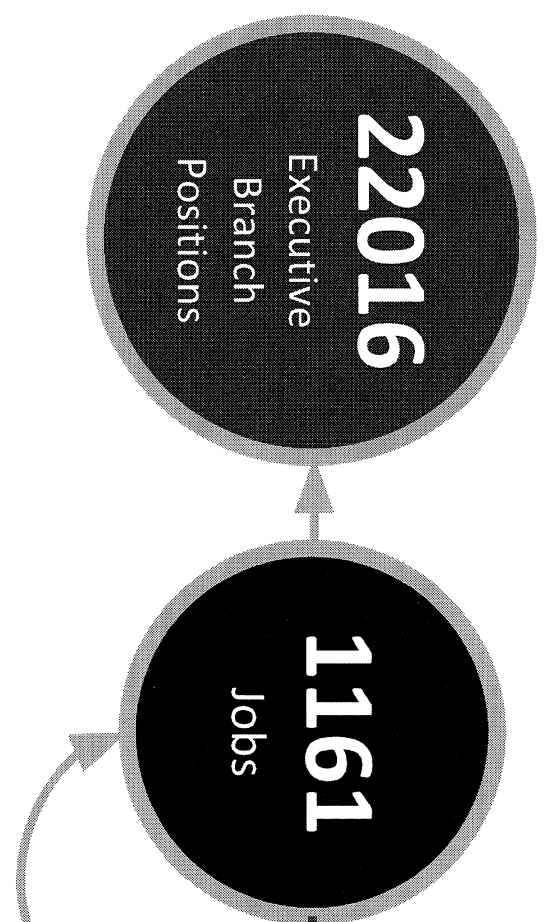


DHRM is statutorily responsible to maintain salary ranges (67.19.6 and 67.19.12).

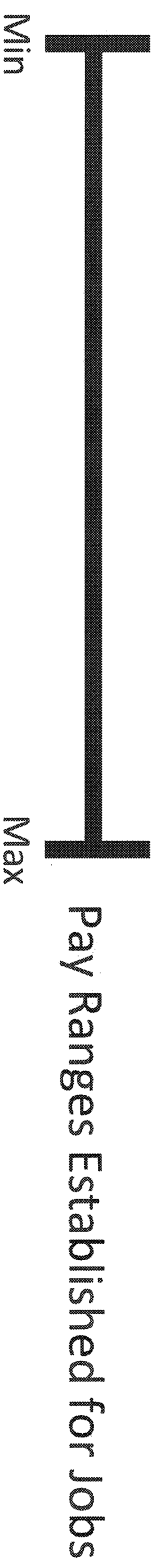
The design of salary ranges are to help ensure that positions in the state have a competitive compensation package and **promote equal pay for equal work.**



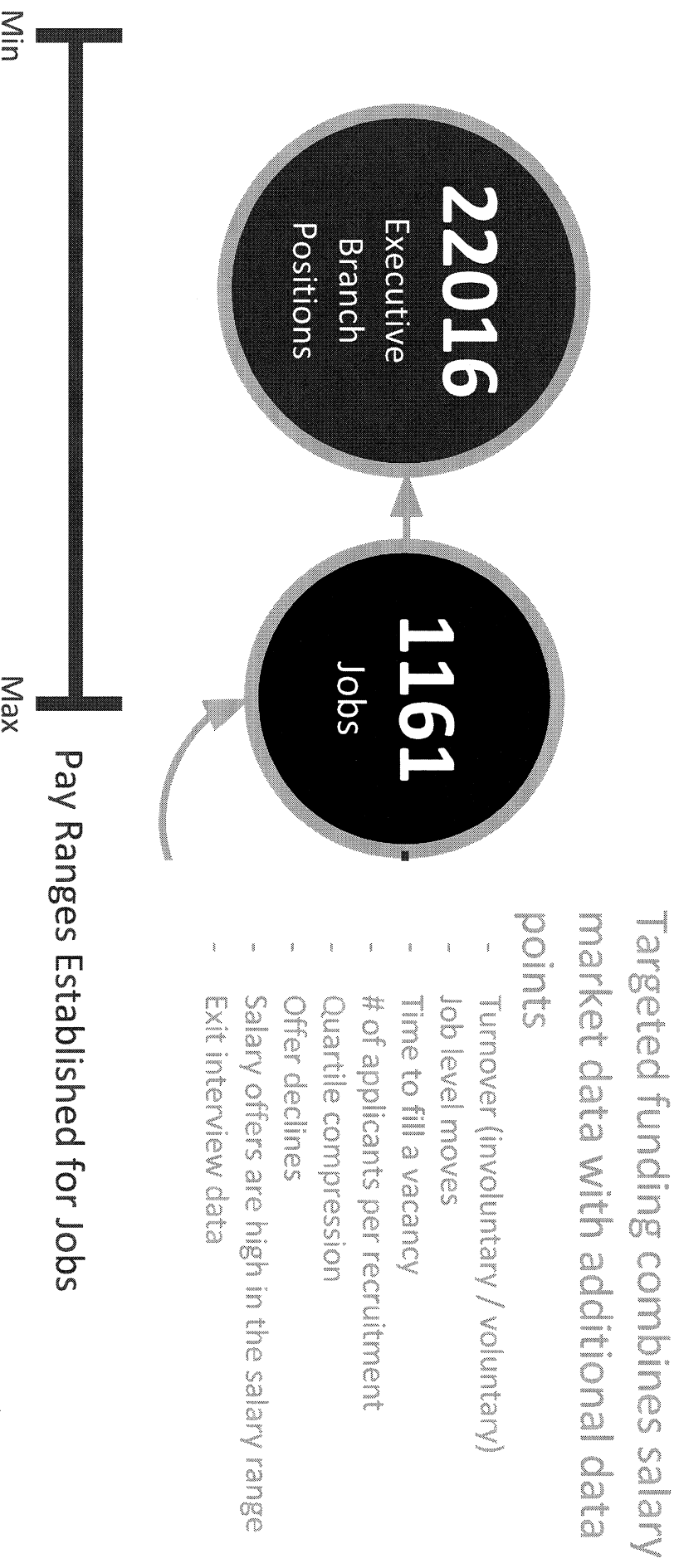
Compensation Levels in Utah



The work of compensation is to evaluate and recommend modifications to salary and salary ranges in ways that help decision makers with accurate / thorough data on where scarce resources can produce the most impact.



Compensation Levels in Utah



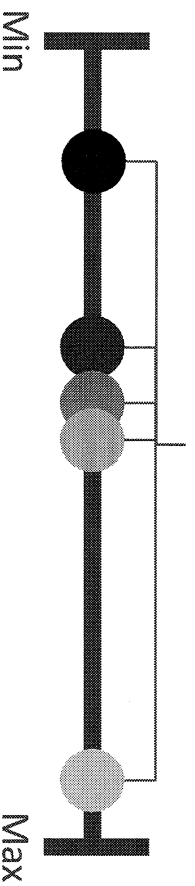
Compensation Levels in Utah



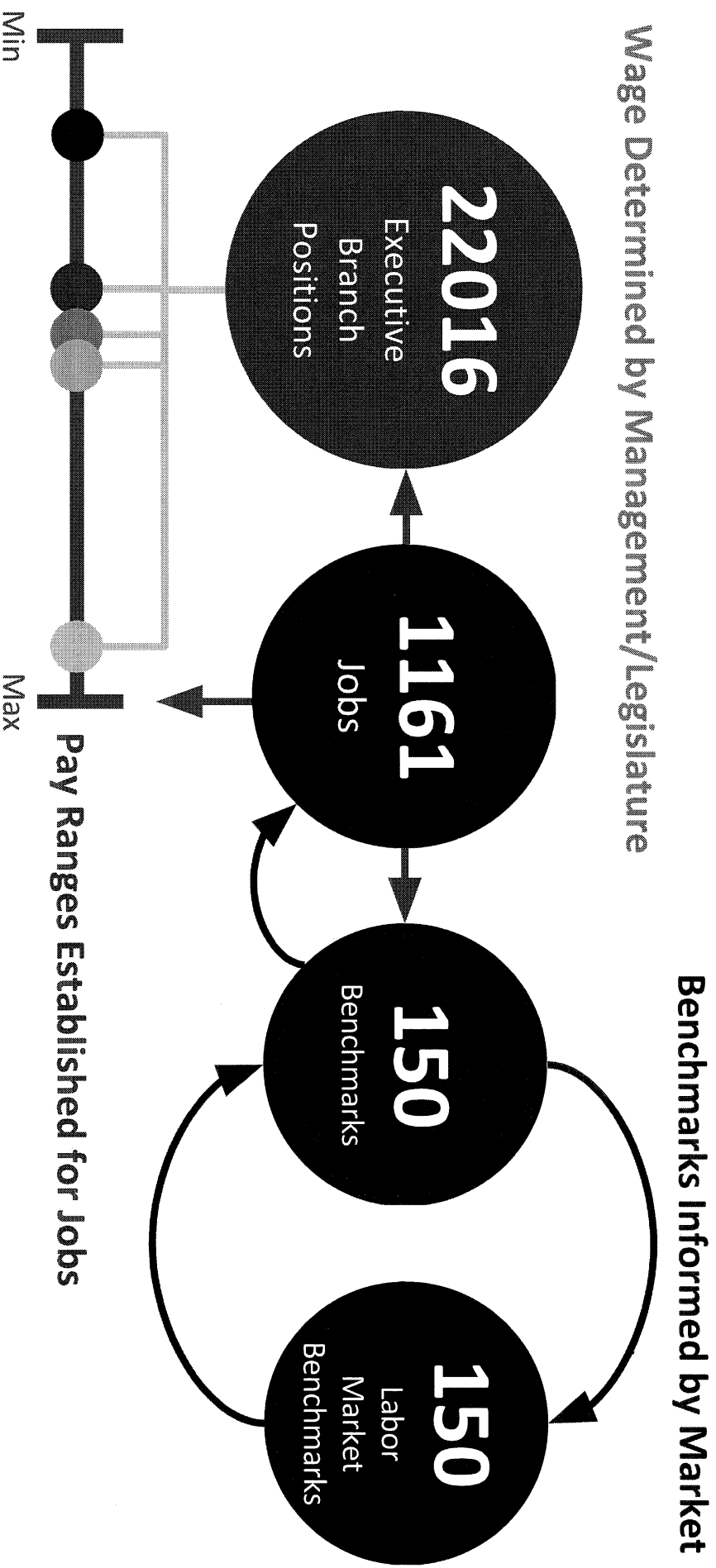
Compensation levels are guided by ranges
**(produced by HR) and determined by agency
management and legislative practice.**

What ultimately determines wage is a
function of multiple variables - but is
definitely influenced by the labor market.

Wage Determined by Management



Compensation Levels in Utah

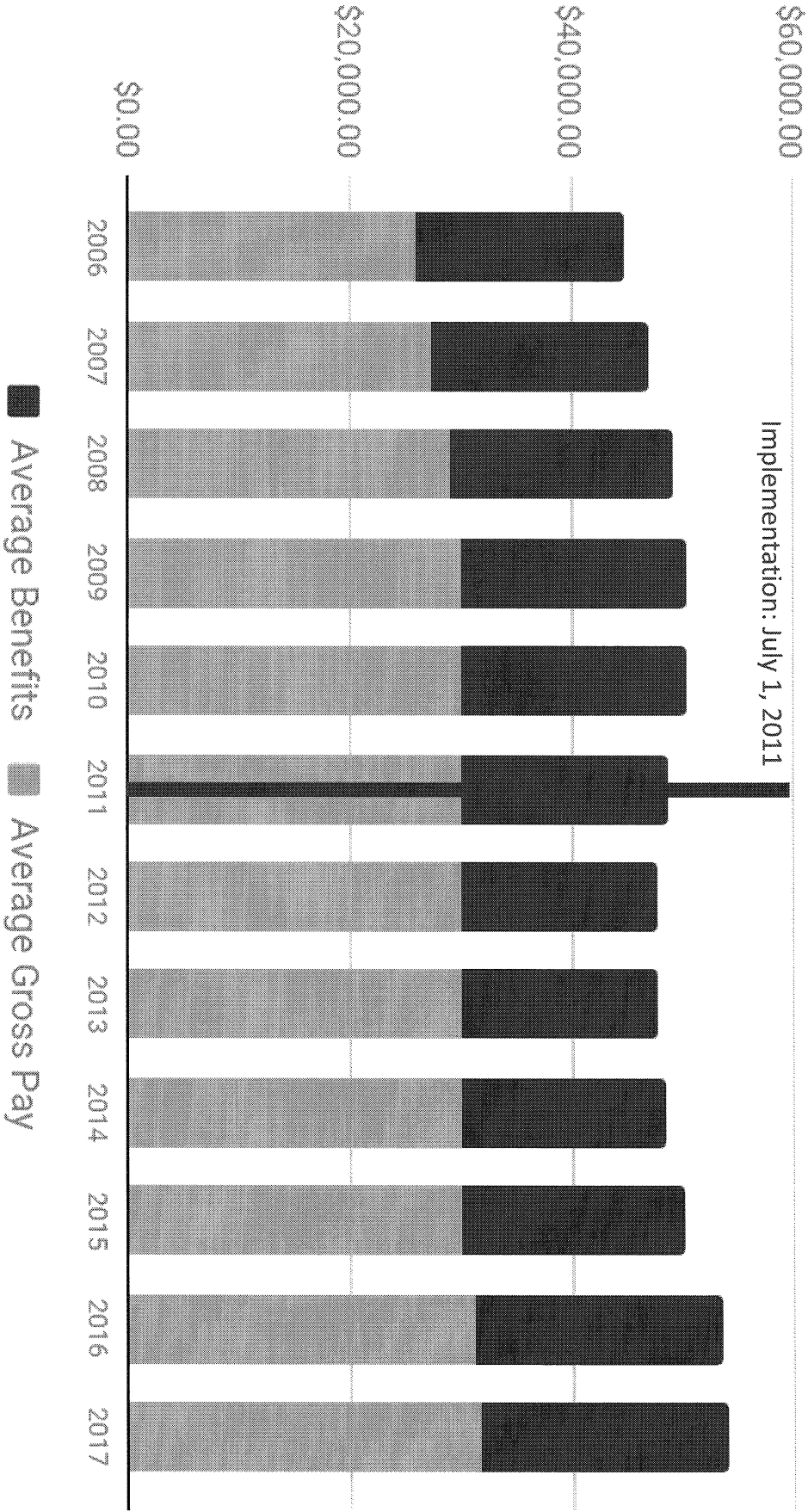


Impact of Tier 2 Retirement on Salary

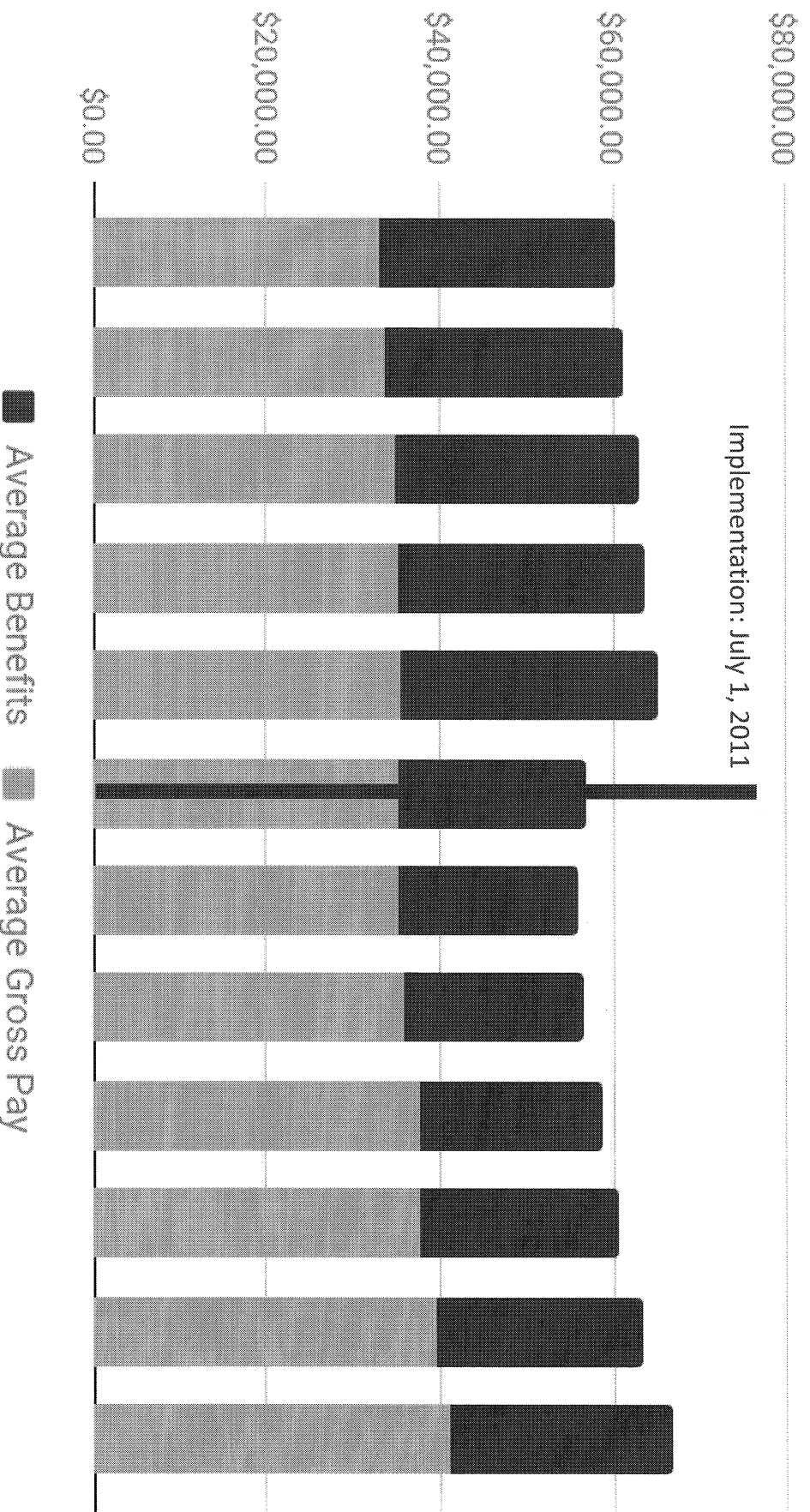
This body wanted to know the impact of tier 2 retirement (implemented on 01-Jul-2011) on salaries. To evaluate the impact of tier 2 retirement on salaries, the analysis requires the following:

- A time series to illustrate the impact of the treatment effect (before and after tier 2 implementation) on salary.
- An apples to apples comparison within the time series. To produce an effective comparison across time, identical classifications were used (in this case, a few classifications with sufficient hires in the time period) and identical tenure (in this case, the salary of new hires).

Average Salary Controlling for Variables (WS Spec 1, JJS Tech 1)



Public Safety Officer - Tier 1 (2006-2010) Tier 2 (2011-2017)





Impact of Tier 2 Retirement on Salary

Conclusion

The implementation of tier 2 retirement produced no discernible impact on salary.

This analysis does not attempt to identify what determined salary within this time series. Because salary is determined by multiple factors, further evaluation and study would be required to consider other variables.

Questions

